



# Department of Justice

FOR IMMEDIATE RELEASE  
THURSDAY, SEPTEMBER 28, 1995

AT  
(202) 616-2771  
TDD (202) 514-1888

**THIRD MAN CHARGED AS JUSTICE DEPARTMENT CONTINUES ITS PROBE  
INTO REAL ESTATE AUCTION BID RIGGING IN NORTHERN VIRGINIA**

WASHINGTON, D.C. -- A northern Virginia man pleaded guilty today to participating in a criminal bid-rigging scheme at residential real estate auctions in northern Virginia, said the Department of Justice's Antitrust Division. He is the third individual charged in the Department's ongoing antitrust investigation into foreclosure auction bid rigging in northern Virginia.

Leo E. Gulley, of Oakton, conspired with a group of real estate speculators who agreed not to bid against each other at certain real estate foreclosure auctions in northern Virginia, the Department said. Their agreement allowed them to buy real estate for low, noncompetitive prices.

The charges against Gulley follow guilty pleas entered to the same charges yesterday by Alexander C. Giap of McLean and Donald M. Kotowicz of Sterling.

The Department's previous antitrust investigation of real estate auction bid rigging in Washington, D.C., resulted in convictions of 12 individuals and one corporation.

The Department charged that after the conspirators' designated bidder bought a property at a public auction, they would meet secretly, to hold a second auction where each

conspirator bid the amount, or "premium," above the public auction price he or she was willing to pay. The conspirator who bid the highest premium won the property. That premium amount was the group's illicit profit, and it was divided among the conspirators in payoffs made later. Gulley participated in the bid-rigging scheme from November 1991 through April 1995.

Anne K. Bingaman, Assistant Attorney General in charge of the Department's Antitrust Division, said, "This is another real estate speculator who, unfortunately, ignored the message sent by our D.C. auction bid rigging cases and continued to commit the same crime of greed."

Bingaman said the northern Virginia investigation, which is being conducted by the Division's Litigation I Section with the assistance of the Federal Bureau of Investigation, is continuing. Gulley has pledged to cooperate with investigators, Bingaman said.

The maximum penalty an individual convicted of a Sherman Act violation committed after November 16, 1990, is three years in jail and a fine of the greater of \$350,000, twice the pecuniary gain the individual derived from the crime, or twice the pecuniary loss suffered by the victims of the crime.

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